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MOTION BY SUPERVISOR DON KNABE

July 5, 2006

The report released last week by the Los Angeles County Civil Grand Jury on fraud in the child care program served to underscore the lack of effective, consistent oversight of public funds intended for child care subsidies for families most in need, which is an issue I have been continually raising in Sacramento.

I agree with the Grand Jury that there is an increasing prevalence of fraud in child care programs. The Director of the Department of Public Social Services has acknowledged this in testimony to this Board and has reported this on numerous occasions. However, what I believe the report failed to capture is exactly where the child care fraud is occurring and is most prevalent. Los Angeles County has a well-established welfare fraud prevention unit that works closely with the Los Angeles County District Attorney, to detect, prevent and prosecute welfare fraud, including Stage 1 Child Care fraud, which the County has direct responsibility for. Yet, there is no such system in place for the Stage 2 and Stage 3 Child Care programs, which are administered directly by the California Department of Education (CDE).

(M O R E)

MOTION

MOLINA	_____
BURKE	_____
YAROSLAVSKY	_____
KNABE	_____
ANTONOVICH	_____

I sponsored legislation – SB 1421 – authored by State Senator Margett – that would address this problem head on. The bill would establish a two-year pilot project in Los Angeles County to investigate potential incidents of fraud in Stage 2 and 3, and develop procedures that could be duplicated statewide. The total cost for the pilot is \$1.2 million per year for 2 years.

My office participated directly in the design of the pilot and led the lobbying effort in support of the bill, which included this Board of Supervisors and the District Attorney. We successfully testified in front of the Senate Education Committee and the Human Services Committee, and met with key legislators and CDE to make our case for the need for the State to address this discrepancy immediately. After successful passage through two policy committees, SB 1421 was placed in the Senate Appropriations suspense file, where it currently remains.

I, THEREFORE, MOVE that the CAO be instructed to advocate in Sacramento to remove SB 1421 (Margett) from the Senate Appropriations suspense file, that the Board of Supervisors send a letter to Senator Kevin Murray, Chairman of the Senate Appropriations Committee, urging him to move the bill forward, and that the Department of Public Social Services work in concert with the Child Care Alliance to work with CDE on alternatives towards addressing this serious problem in Stage 2 and 3 Child Care programs, and report back in 30 days.

NI:azr

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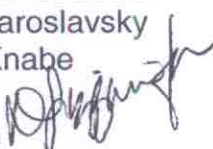
County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

July 3, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen 
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**MOTION TO THE COUNTY'S LEGISLATIVE ADVOCATES TO ADVOCATE IN
SACRAMENTO TO REMOVE SB 1421 (MARGETT) FROM THE SENATE
APPROPRIATIONS SUSPENSE FILE (ITEM NO. 73-B, SUPPLEMENTAL AGENDA
OF JULY 5, 2006)**

Item No. 73-B on the July 5, 2006 Supplemental Agenda is a motion by Supervisor Knabe to: 1) instruct the County's Legislative Advocates to advocate in Sacramento to remove SB 1421 (Margett) from the Senate Appropriations Committee Suspense File; 2) send a letter to Senator Kevin Murray, Chairman of the Senate Appropriations Committee, urging him to remove the bill from the Suspense File; 3) instruct the Director of the Department of Public Social Services (DPSS) to work in concert with the Child Care Alliance of Los Angeles County to work with the California Department of Education on alternatives to address fraud in Stage 2 and Stage 3 CalWORKs Child Care Programs; and 4) instruct the Director of DPSS to report back to the Board in 30 days.

On March 21, 2006, your Board took action to support SB 1421, sponsored by Supervisor Knabe, which would establish a two-year pilot in Los Angeles County to identify, investigate, and prosecute suspected cases of fraud in Stage 2 and Stage 3 CalWORKs Child Care Programs. My office worked with DPSS, the District Attorney, the Child Care Alliance, and Legislative staff to pursue your Board's position on the bill.

SB 1421 was placed on the Senate Appropriations Suspense File on May 15, 2006 due to increased General Fund costs. This action is routinely taken on bills pending enactment of the State budget. Bills that remain on the Suspense File typically do not

continue through the Legislative process in the absence of a rule waiver. Supervisor Knabe's Motion regarding SB 1421 would assist our Sacramento advocacy efforts by conveying the importance of this issue to the County.

DEJ:GK
MAL:JF:VE:cc

c: Executive Officer, Board of Supervisors
 County Counsel
 Director, Department of Public Social Services
 District Attorney